

GRANT COUNTY COMBINED SPECIAL PURPOSE DISTRICTS
Grant County, Washington
January 1, 1992 Through December 31, 1994

Schedule Of Findings) Grant County Cemetery District No. 1

1. Grant County Cemetery District No. 1 Should Improve Cash Receipting And Depositing Procedures

During our review of the district's bank account, used to deposit local cemetery revenue, we noted:

- a. Funds are not transmitted to the county treasurer on a timely basis as required. During 1994, the district sent only one transmittal of \$11,543 to the county treasurer on June 7, 1994.
- b. District receipts are not in sequential date order which indicates that receipts are not written as the revenue is received.
- c. The mode of payment is occasionally scribbled out or not recorded.

RCW 43.09.200 states in part:

The (accounting) system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other employees, or other persons.

RCW 43.09.240 states in part:

Every public officer and employee, whose duty it is to collect or receive payments due or for the use of the public shall deposit such moneys collected or received by him or her with the treasurer of the taxing district once every twenty-four consecutive hours.

By failing to transmit collections to the county treasurer on a timely basis, the district is not obtaining maximum investment earnings on the money. The district's failure to deposit moneys in a timely manner also increases the risk that errors or irregularities could occur and not be detected in a timely manner. In order for us to ensure that district revenues were properly accounted for, it was necessary to trace a substantial amount of revenue through the system to the county, increasing audit costs to the district.

The lack of controls described here occurred because district employees feel that they do not have enough time to accomplish the work.

We recommend that the district improve its cash receipting and depositing system to ensure that deposits are documented correctly and made on a timely basis as required by state law.

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Schedule Of Findings) Quincy Cemetery District No. 1

1. Expenditures At Quincy Cemetery District No. 1 Should Be Paid In Accordance With State Law

Our audit of expenditures at the district disclosed instances where the district used depository account checks to pay expenses. As a result, disbursements are not made through the district's auditor and treasurer, nor are these expenses approved by the governing body as required.

RCW 68.52.310 states:

The county treasurer shall disburse the cemetery district fund upon warrants issued by the county auditor on vouchers approved and signed by a majority of the board of cemetery commissioners and the secretary thereof.

We cannot assure ourselves that these claims are legitimate expenditures of the district since they were not approved by a majority of commissioners and disbursed by warrants issued by the county auditor. The cemetery's financial statements are inaccurate because district revenues and expenditures do not include these payments nor the revenue used to make the payments.

This condition occurred because the secretary was unaware that all claims must be paid by warrant.

We recommend that the district disburse funds only by warrants issued by the county auditor.

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Schedule Of Findings) Grant County Port District No. 8

1. Grant County Port District No. 8 Should Improve Controls Over Cash Receipting

During our audit of Grant County Port District No. 8, it was noted that local receipts are recorded on non-district receipting forms. These receipts, known as "Rediform" receipts, do not indicate the name of the district. The use of rediform receipts is contrary to good accounting practice, and makes it difficult to determine if all funds received by the district were deposited with the county treasurer. As a result, the district is exposed to possible loss or misuse of funds, as they are easily obtained and can be easily duplicated.

We informally recommended in our last two audits (1986-88 and 1989-91) that the district obtain and use official preprinted receipts. However, the district bought new receipts in 1995 which were again rediform receipts. Apparently, the two prior recommendations were not passed along to the new district secretary.

We again recommend that the district improve controls over the cash receipting system by using prenumbered and preprinted district receipt forms.